

RESOLUTION NO. 2007-21

A RESOLUTION OF THE LODI CITY COUNCIL
REPEALING AND RE-ENACTING RESOLUTION
NO. 2006-219 APPROVING THE TERMINATION OF
INTEREST RATE SWAP TRANSACTIONS WITH
CITIGROUP FINANCIAL PRODUCTS

WHEREAS, the City of Lodi and Citigroup Financial Products Inc. (formerly known as Salomon Brothers Holding Company, Inc.) are parties to a Master Agreement and a Credit Support Annex, which constitute the terms of a transaction known as Transaction Reference: N16474 (33090) and another transaction known as Transaction Reference: N22221, by which both parties shall transact an exchange of interest payments; and

WHEREAS, both parties desire to terminate their obligations under both of these transactions as specified in the Termination Agreement (attachment A).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby authorize the City Manager or Deputy City Manager to execute the Termination Agreement on its behalf at a time and under circumstances which will result in a net cost not to exceed \$150,000.

Dated: February 7, 2007

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I hereby certify that Resolution No. 2007-21 was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 7, 2007, by the following **vote:**

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce,
and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL

City Clerk

EXHIBIT A

TERMINATION AGREEMENT

Termination Agreement (this "Termination Agreement") dated as of December __, 2006 by and between CITIGROUP FINANCIAL PRODUCTS INC. (formerly **known as** Salomon Brothers Holding Company Inc) ("Party A") and CITY OF LODI ("Party B").

WHEREAS Party A and Party B are parties to a Master Agreement dated as of September 23, 1999 (the "Master Agreement"), a Schedule to the Master Agreement (the "Schedule") and a Credit Support Annex (the "Credit Support Annex" and, collectively with the Master Agreement and Schedule, the "Agreement");

WHEREAS, in accordance with the terms of the Agreement, Party A and ~~Party~~ B have heretofore entered into (i) on September 29, 1999, pursuant to the Agreement, a Transaction (Ref: N16474 and 33090), which Transaction **was** subsequently amended on February 23, 2001 and April 16, 2003 (as so amended, the "1999 Transaction") and (ii) on February 23, 2001, pursuant to the Agreement, a Transaction (Ref: N22221) (the "2001 Transaction" and, together with the 1999 Transaction, the "Transactions");

WHEREAS, the parties wish to terminate their obligations under the Transactions;

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, it is hereby agreed as follows:

1. Payment and Termination

(a) The Transactions are hereby terminated **as** of December __, 2006 (the "Termination Date") and neither Party A nor Party B shall have any obligations thereunder following the Termination Date. In full consideration of this Termination Agreement and in complete satisfaction of all obligations of all of the parties in respect of the termination of the Transactions, Party [A/B] agrees to pay to Party [A/B] the amount of \$_____ (the "Termination Payment") (which amount is comprised of \$_____ with respect to the 1999 Transaction and \$_____ with respect to the 2001 Transaction and **which**, in each case, includes amounts accrued and unpaid as of the Termination Date) on the Termination Date.

(b) The Termination Payment shall be paid by Party [A/B] to Party [A/B] in immediately available funds on the Termination Date to the following account:

City of Lodi, Farmers and Merchants Bank Account # 10001301

2. Representations. Each party hereto represents to each other party hereto that:

- (a) it is duly organized and validly existing under the laws of the jurisdiction its organization or incorporation;
- (b) it has the power and authority to execute and deliver this Termination Agreement;
- (c) the person executing this Termination Agreement on its behalf is duly authorized to do so;

(d) its execution, delivery and performance of this Termination Agreement, do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its **assets**;

(e) it has obtained all governmental and other consents, if any, that it is required to obtain in connection with its execution and delivery of this Termination Agreement, all such consents are in full force and effect and all conditions of any such consents have been complied with;

(f) its obligations under this Termination Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or in law); and

(g) it has made its own independent decision to enter into this Termination Agreement based upon its own judgment and upon advice from such advisors as it has deemed necessary and no other party is acting as a fiduciary for or as an advisor to it in respect of this Termination Agreement.

3. Governing Law. This Termination Agreement will be governed by and construed in accordance with the **Laws** of the State of New York, without reference to choice of law doctrine.

4. Counterparts. This Termination Agreement may be executed in counterparts, each of which **shall** be deemed an original.

IN WITNESS WHEREOF, the parties have **executed this Termination Agreement as of**
the date **first above** written.

CITIGROUP FINANCIAL PRODUCTS INC.

By: _____

CITY OF LODI

By: ____ -- _____